Foreign CROPS AND MARKETS

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NEW PUBLICATIONS RELATING TO U.S. FOREIGN AGRICULTURAL TRADE

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Recent Common Market Fruit and Vegetable Developments. Foreign Agriculture Circular FDAP 6-62.

U.S. Tariff Changes for Livestock and Meat Products. Foreign Agriculture Circular FLM 7-62.

Agriculture and Food Situation in Cuba. Economic Research Service. ERS-Foreign-28.

JAPAN'S USE OF U.S. TOBACCOS CONTINUES TO RISE

In 1961, factory consumption of U.S. tobaccos by the Japan Monopoly Corporation totaled 15.3 million pounds, compared with 12.4 million in 1960 and 10.6 million in 1959.

Cigarette sales of Japanese brands containing U.S. leaf, at 33.1 billion pieces, were almost 28 percent greater than the 25.9 billion sold in 1960. Sales of Peace, a brand containing 25 percent U.S. flue-cured, rose from 14.7 billion pieces in 1960 to 17.3 billion in 1961. Sale of Hi-Lite, a filter-tipped brand which contains 7 percent U.S. flue-cured and 3 percent U.S. burley, totaled 7.2 billion pieces, compared with June-December 1960 sales of 2.9 billion. Sales of AAA, a brand containing 15 percent U.S. flue-cured, placed on the market in May 1960, totaled 3.2 billion pieces last year. Sales of Hope, a filter-tipped brand which contains 15 percent U.S. flue-cured were 22 percent higher than 1960 sales of 1.1 billion pieces. More Fuji cigarettes were sold in 1961 than in the previous year, while sales of both Pearl and Hikari were down.

CIGARETTES: Japan, sales of brands containing U.S. tobaccos, 1959-60

Brand	1959	1960	1961
	Million pieces	Million pieces	Million pieces
Peace	12,897	14,703	17,262
Hi-Lite 1/ 2/	---	2,399	7,222
AAA 3/	---	2,891	3,189
Pearl	2,250	2,081	1,971
Hikari	3,687	2,483	1,871
Hope 1/	979	1,067	1,301
Fuji	208	252	274
Total	20,021	25,876	33,090

1/ Filter-tipped. 2/ Placed on sale in June 1960. 3/ Placed on sale in May 1960.
Japan Monopoly Corporation.

Total cigarette sales in Japan during 1961, at 132.1 billion pieces, were 9.3 percent greater than the 120.8 billion sold in 1960. Japanese Monopoly officials expect a further gain of 10 percent for 1962. Emphasis will be placed upon increasing the supply of filter-tipped cigarettes. According to JMC's plan, production of Hope will be increased from 1.4 to 2.2 billion pieces, while the output of Hi-Lite will be raised to 10.3 billion pieces. In addition, new brands of filter tipped cigarettes are expected to be placed on the market in the fall. The supply of filter-tipped cigarettes is expected to account for about 10 percent of total output compared with 7.4 percent in 1961.

NEW ZEALAND LOWERS LEAF TOBACCO DUTY; PROHIBITS CIGARETTE IMPORTS

As the result of recent GATT negotiations, New Zealand granted the United States a tariff concession on unmanufactured tobacco imported for manufacturing cigarettes, snuff, and pipe, and other tobacco. The new rate, effective July 1, 1962, will be equal to 46.7 U.S. cents per pound, compared with the current rate of 52.5 cents.

On March 12 the Minister of Customs released the 1962-63 Import Licensing Schedule, to take effect from July 1, 1962. Imports of tobacco manufactures, including cigarettes, are prohibited inasmuch as no allocation of foreign exchange is provided and licenses will not be granted unless the circumstances are most exceptional.

Imports of unmanufactured tobacco are exempt from the foreign exchange restriction and may be imported from any source without the requirement of an import license.

EGYPT'S TOBACCO IMPORTS UP SLIGHTLY

Egypt's duty-paid imports of unmanufactured tobacco during 1961 totaled 25.4 million pounds--up slightly from the 25 million imported in 1960. Takings from all sources except Bulgaria, Mainland China, and Italy increased.

TOBACCO, UNMANUFACTURED: Egypt, duty-paid imports by country of origin, 1959-61

Country of origin	1959	1960	1961 1/
	1,000 pounds	1,000 pounds	1,000 pounds
United States	6,333	8,423	9,689
Yugoslavia	2,258	3,077	3,025
India	1,515	900	1,750
Greece	2,392	1,516	1,731
Mainland China	3,350	2,852	1,704
Bulgaria	2,391	2,384	1,550
Turkey	1,678	1,374	1,342
Syria	2/	875	1,074
Italy	1,228	833	421
Japan	1,109	1,073	2/
Others	3,043	1,717	3,111
Total	25,297	25,024	25,397

1/ Preliminary; subject to revision. 2/ If any, included in others.

Imports from the United States amounted to 9.7 million pounds, compared with 8.4 million in 1960. Leaf takings from India were almost double the 1960 level of .9 million pounds. Combined imports from Greece, Turkey, and Yugoslavia were about 2 percent greater than a year earlier, while takings from Bulgaria were down about 35 percent. Also, imports from Mainland China, and Italy were considerably below the previous year.

DANISH CIGARETTE OUTPUT UP SLIGHTLY

Cigarette output in Denmark continued its upward trend through 1961.

Production totaled 5.3 billion pieces--up slightly from the 5.2 billion produced in 1960. Production of both cigars and cheroots was somewhat larger than in 1960, but cigarillos declined from 721 million pieces in 1960 to 685 million in 1961. Production of smoking tobacco totaled 5.1 million pounds, compared with 5.5 million in 1960. Output of chewing tobacco was smaller than for the previous year while snuff was a little larger.

Sales of all kinds of tobacco products, except cigarillos, show the same pattern as output. Cigarette sales rose from 5 billion pieces in 1960 to 5.1 billion in 1961. Sales of cigarillos totaled 694 million pieces, compared with 688 million in 1960. Sales of cigars and cheroots were up slightly while smoking tobacco and chewing tobacco were down from a year earlier.

Filter-tipped cigarettes last year represented about 30 percent of total sales. King size cigarettes accounted for 49 percent and regular size for the remaining 21 percent.

U.K. REVISES BASIC TOBACCO DUTIES

On April 9, 1962, the U.K. announced a revision in its basic tariff rate on unmanufactured tobacco.

This revision eliminated the 10 percent surcharge, placed in effect in mid-July 1961, and reduced the tariff preference on Commonwealth leaf from 23.7 cents to 21.6 cents per pound. The new basic rate on unstemmed leaf from non-Commonwealth sources, containing 10 percent or more moisture, is now equivalent to U.S. $9.92 per pound.

From mid-July, 1961 to April 9, 1962, the basic rate on that category of leaf imports was $9.03 plus a 10 percent surcharge. The application of the surcharge to the basic rate had the effect of increasing the tariff preference on Commonwealth leaf in excess of the 21.6 cents permitted under GATT. The differential has now been restored to the permitted level.

The new tariff revision also establishes a rate on stemmed tobacco from non-Commonwealth sources, containing 10 percent or more moisture, at $9.92 per pound-the same as that for unstemmed leaf.

RHODESIAN FLUE-CURED SALES ABOUT ONE-FOURTH COMPLETED; PRICES UP

Auction sales of flue-cured tobacco at Salisbury, Southern Rhodesia through the eighth week of the current marketing season totaled 61.3 million pounds, compared with 49.4 million for the similar period last year. Sales to date represent about 25 percent of the 1962 crop.

The average auction price for the 1962 Rhodesian flue-cured crop through the eighth week of sales was equivalent to 47.5 U.S. cents per pound--20 percent higher than the 39.7 cents for the comparable period last year.

MALAGASY'S LEAF TOBACCO EXPORTS CONTINUE DOWNWARD

Exports of leaf tobacco from the Malagasy Republic (formerly Madagascar) continued to decline through 1961. Total shipments amounted to 6.5 million pounds, compared with 6.6 million in 1960 and the 1954 record of 10.4 million.

France continues to be the principal export outlet, followed by Reunion and Cameroun. Shipments to France totaled 6.1 million pounds, compared with 6.5 million in 1960.

As the result of the declining demand for Maryland leaf by the French Tobacco Monopoly, a policy of converting from Maryland to burley and flue-cured varieties has been in effect during the past 2 years. However, the conversion has been progressing slowly due to financial difficulties.

FORECAST RHODESIA-NYASALAND TOBACCO CROP HIGHER THAN LAST YEAR

The latest forecast of total tobacco production (all types) in the Federation of Rhodesia and Nyasaland is for a crop of over 280 million pounds--somewhat larger than the initial, unofficial forecast appearing in the March 12, 1962, issue of Foreign Crops and Markets. It is about 7.4 percent higher than last year's reported sales.

The flue-cured harvest is expected to be 249 million pounds--about 5 percent larger than last year despite the setback in the main producing areas because of a dry period in December and January.

Production of burley (a relatively new type for the Federation), increased from 4.6 million pounds in 1961 to about 6.2 million this year. Most of the production of this type has been in Nyasaland and Northern Rhodesia, but this year approximately 160,000 pounds were grown in Southern Rhodesia.

Fire-cured production is now placed at 21.5 million pounds in 1962, compared with 15.6 million in 1961. The increase is largely in the Northern Division of Nyasaland.

Sun/air-cured is expected to be about the same as 1961 and Turkish leaf may be up 5 percent to a total of 1 million pounds.

Auction sales are now underway at Salisbury, Southern Rhodesia and Limbe, Nyasaland, for the 1962 harvest, which was planted in the late months of 1961.

AUSTRALIAN MEAT SHIPMENTS TO THE UNITED STATES

Two ships left Australia in mid-April with 6,677,440 pounds of beef, 109,760 pounds of mutton, and 11,200 pounds of variety meats for the United States.

Ship	Sailing date	Destination 1/	Available date	Cargo	Quantity
					Pounds
Rakaia........	April 16	Charleston	May 9	Beef	255,360
		New York	" 10	"	5,261,760
		" "	" "	Variety meats	11,200
		Philadelphia	" 15	Beef	302,400
		"	" "	Mutton	42,560
		Boston	" 18	Beef	394,240
Pioneer Surf..	April 18	Charleston	" 20	"	33,600
		Boston	" 24	"	60,480
		New York	" 30	"	172,480
		" "	" "	Mutton	40,320
		Philadelphia	June 2	"	26,880
		Baltimore	" 4	Beef	197,120

1/ Cities listed indicate location of purchaser and usually the port of arrival and general market area, but the meat may be diverted to other areas for sale.

ITALY'S CHEESE IMPORTS RISE

Italy is importing more cheese.

During 1961 Italy's cheese imports totaled 100 million pounds, compared with 85 million in 1960 and 72 million in 1959. Switzerland was again the heaviest supplier, shipping 26 million pounds. Shipments from Austria, Denmark, Finland, and France also were above the 1960 level, but those from West Germany, the Netherlands, Norway and Sweden were down.

Exports of cheese dropped slightly to 51 million pounds. Sales to the United States declined from more than 21 million pounds to about 20 million pounds. Heavier shipments were made to Switzerland, the United Kingdom, and Canada.

BULK SUGAR STORAGE FOR SOUTH AFRICA

What may be the largest terminal bulk storage of its kind for sugar in the world is to be built in the Durban Harbor area.

The South African Sugar Association has announced that the new facility will have a capacity of 200,000 short tons of sugar, enough to meet the industry's requirements for both shipping and end-of-season storage. Completion is expected within 2 years. The modern loading system with which it is to be equipped will greatly reduce the time required to load a cargo of sugar.

This will improve South Africa's ability to compete in the world sugar market and perhaps increase sales to such major importers as Japan.

U.K. EXPORTS OF MOST LIVESTOCK PRODUCTS DECLINE IN JANUARY-MARCH

U.S. exports of edible tallow and greases, lamb and mutton, "other canned meats," and hog casings were higher in January-March than in the first 3 months of the previous year. All other livestock product exports declined.

Shipments of lard in January-March were 2 percent lower. Exports to the United Kingdom have accounted for about 80 percent of total lard shipments.

Inedible tallow and grease exports were 3 percent lower than during the first 3 months of 1961. Shipments of edible tallow and greases rose 5 percent.

Red meat exports were 27 percent below January-March 1961. Shipments of beef and veal dropped 23 percent, pork 32 percent, sausage (not canned) 52 percent, canned sausage 54 percent, and canned baby food 31 percent. However, lamb and mutton exports were 194 percent higher, because of a large shipment (524,000 pounds) to British East Africa in March. Exports of "other canned meats" rose 11 percent.

Variety meat exports of 28 million pounds in January-March were 6 percent below the same period of 1961. Shipments of hog casings rose 31 percent but were partially offset by a decrease in other natural casings of 33 percent.

Mohair shipments were down 31 percent. Exports of mohair are dependent upon styles and tend to fluctuate rapidly.

Exports of hides and skins in January-March were lower for all classes. Cattle hide shipments dropped 24 percent, calf skin 41 percent, kip skin 43 percent, and sheep and lamb skins 27 percent.

LIVESTOCK PRODUCTS: U.S. exports of selected items, March 1961 and 1962, and January-March 1961 and 1962, with percentage change

(Product weight basis)

Commodity	March			January-March		
	1961	1962	Percent change	1961	1962	Percent change
	1,000 pounds	1,000 pounds	Percent	1,000 pounds	1,000 pounds	Percent
Lard	33,899	33,560	-1	114,357	111,915	-2
Inedible tallow and greases 1/	155,849	118,680	-24	411,933	398,986	-3
Edible tallow and greases 2/	688	1,520	+121	2,770	2,903	+5
Meat:						
Beef and veal	2,370	1,933	-18	8,129	6,223	-23
Pork	4,579	4,266	-27	18,565	12,620	-32
Lamb and mutton	209	698	+234	330	978	+194
Sausage:						
Except canned	142	124	-13	546	260	-52
Canned	122	61	-50	415	189	-54
Baby food, canned	213	101	-52	347	238	-31
Other canned meats	90	146	+62	309	343	+11
Total red meat	7,725	7,329	-5	28,641	20,851	-27
Variety meat	10,575	10,903	+3	30,332	28,265	-6
Sausage casings:						
Hog	1,041	1,233	+18	2,507	3,277	+31
Other natural	428	328	-23	1,268	845	-33
Mohair	1,636	1,378	-16	5,038	3,466	-31
	1,000 pieces	1,000 pieces		1,000 pieces	1,000 pieces	
Hides and skins:						
Cattle	837	515	-39	2,182	1,660	-24
Calf	334	214	-36	745	442	-41
Kip	56	23	-59	157	90	-43
Sheep and lamb	289	159	-45	587	430	-27

1/ Includes inedible tallow, oleic acid or red oil, stearic acid, and other inedible animal greases, fats, and oils. 2/ Includes edible tallow, oleo oil and stearin, oleo stock and shortenings, animal fat, excluding lard.

U.S. Department of Commerce.

BRAZIL'S COFFEE
EXPORTS UP

Brazil is exporting more coffee.

Exports during the current marketing year (July 1, 1961 through April 30, 1962) were 15,106,190 bags (132.276 lbs.) compared to 13,958,999 bags for the same period a year earlier. Exports during the month of April 1962 were 1,268,898 bags compared to 1,322,459 bags during April 1961.

HAITI PUTS SUGAR UNDER
STATE MONOPOLY CONTROL

As of last October, Haiti added sugar to the growing list of commodities under the control of the State Tobacco and Match Monopoly.

Also, a new excise tax of U.S. 1 cent per pound was imposed on refined sugar, raising the local price to 9 cents per pound. In 1961, the United States allocated to Haiti 45,273 short tons of quota and non-quota sugar import authorization. Haiti expects to have an export availability again this year of about 45,000 short tons.

Through the first half of 1962, Haiti has been allocated 5,208 short tons for entry into the United States. The incentive for further Haitian sugar exports to the United States depends in large measure upon the prices obtainable for sugar in this country.

VENEZUELA PLANS COFFEE
ACREAGE REDUCTION

The Venezuelan Ministry of Agriculture has long-term plans which call for a reduction in the present area devoted to coffee.

It is planned that the 1961 acreage of 825,000 be reduced to 725,000 by 1965. Production, nevertheless, is expected to increase by 1965 to about 1,150,000 bags (132.276 lbs.). The present level of production is approximately 15 percent below this. The increased production will probably be for domestic consumption.

GUATEMALA REGULATES
COFFEE ROASTING

The National Coffee Association of Guatemala as part of its regulatory responsibility recently published regulations for the control of coffee roasters.

In general, the regulations require that coffee roasters be registered with the National Coffee Association, that no adulterant be used with coffee, and that a complete statistical report on their operations be submitted periodically to the association.

WEST GERMAN JUTE INDUSTRY DECLINING

The West German Jute Industry recently announced that 13 jute spinning and weaving factories have had to close down since 1955.

The decline was attributed to increasing imports of jute goods because of rising production costs in West Germany and competition from other European Common Market countries. Imports in 1961 amounted to 54 percent of domestic production. The unusually high price of jute in 1959 and 1960, the years of scarcity, contributed to the increasing production costs and lowered profits for the industry.

BARBADOS WILL HAVE FLOUR MILL

The Barbados Government has announced that a flour mill will be established within a year.

The mill will service Barbados as well as the Leeward and Windward Islands. These islands have also been discussing the possibility of establishing a "little eight" federation. The government will participate financially in the enterprise and shares will be available to the public in the Leeward and Windward Islands, which will be invited to participate in raising the required capital.

The establishment of this mill is in accordance with planned industrial development under Barbados five-year plan (1960-65). Two U.S. companies have expressed interest in the project and a large Canadian concern is also willing to establish a plant.

U.S. exports of wheat flour to these islands in 1960 were valued at $464,000, of which $386,000 worth went to Barbados, and $78,000 to the Leeward and Windward Islands. The United States supplied about one-third of Barbados wheat imports, Canada over half, and France one-eighth in 1960.

MEXICAN WINTER VEGETABLE SHIPMENTS

The following Mexican winter vegetables crossed the border at Nogales, Arizona during the period April 16 to April 30 (in thousands of pounds, last year's figures in parentheses): cantaloupes 8,608 (11,465); corn 41 (0); cucumbers 533 (242); eggplant 139 (56); peas 2 (0); green peppers 765 (232); squash 150 (52); snap beans 491 (1,522); tomatoes 27,620 (18,245); watermelon 6,702 (8,726); and strawberries 40 (0).

FROZEN STRAWBERRIES
ARRIVE FROM MEXICO

A preliminary report on frozen strawberry imports from Mexico for the week ending May 12 shows .9 million pounds to the United States and .06 million to Canada. The total for April was 9,400,000 pounds to the United States and 800,000 pounds to Canada.

BELGIUM AGAIN REDUCES FEED
GRAIN IMPORT LICENSE TAXES

Belgium recently reduced its license taxes on imports of rye, barley, oats, and corn and grain sorghums.

This is the sixth time this country has reduced its import license taxes on feed grains and feed grain products since increasing them for the sixth time last June. The levying of these taxes was begun in August 1957.

FEED GRAINS: Belgium, import license taxes

Grain	Old tax	New tax	Old tax	New tax
	Belgian francs per quintal	Belgian francs per quintal	U.S. dollars per bushel	U.S. dollars per bushel
Rye	80	60	.41	.31
Barley	80	60	.35	.26
Oats	175	125	.51	.37
Corn and grain sorghums	120	100	.61	.51

For Belgium's presently effective import license taxes on other feed grains and on feed grain products, see Foreign Crops and Markets, March 19, 1962. (The report from Belgium, as stated in that article, that the corn and grain sorghums tax had previous to February 7, 1962, been reduced to 80 francs per quintal was incorrect.)

CANADIAN GRAIN
PROSPECTS UNFAVORABLE

Grain seeding has made good progress in most southern districts of Canada's grain belt, but elsewhere little has been accomplished.

Many farmers delayed operations waiting for more favorable conditions for germination and to obtain satisfactory weed kills. Shortage of subsoil moisture is still a serious problem. While surface moisture has been generally adequate, recent high winds have caused rapid drying and soil drifting over wide areas.

A recent press release issued by Canada's Department of Agriculture calls on farmers to grow all the grain they can, consistent with sound agricultural practices. Stated production requirements from the west to fill domestic and export needs were 500 million bushels of wheat, 350 million of oats, and 250 million of barley.

Though stated requirements are well above the small 1961 harvests, the present outlook appears discouraging. On the intended wheat acreage of March 1, yields equal to the high average of 1951-60 would have to be attained to reach the objective. The low subsoil level and late start in getting seed in are handicaps that may be hard to overcome. Also expected is a heavy grasshopper infestation.

However, the Minister urges growers to use fertilizer in areas where this is practical and to make the best use of available moisture to help offset unfavorable factors.

Even 1951-60 yields of feed grains would not bring these crops up to the goal, on the intended acreage. The Minister noted that the country faces a serious feed grain situation if yields fall short of that average.

COMMON MARKET TO RAISE WEST GERMAN DUTY ON IMPORTED GRAIN

It has become clear during the past several weeks that the application of the Common Market's Grain Regulation will raise the duty on West Germany's wheat and feed grain imports. Although all the factors have not yet been finally decided, it appears that the import levy on wheat will rise by about 35 percent and that on barley by about 10-12 percent.

At present, the import levy for wheat is U.S. $45 per ton. This duty is based on the difference between the c.i.f. price of Manitoba #3 and the government-set selling price of that grain in West Germany. Beginning July 1, 1962, import levies will be determined by a new set of factors prescribed by the Common Market in its grain regulation. For wheat imports into Germany the new factors will operate as follows:

1. A <u>border price</u> for wheat imports has been established at $118.05 per ton. This is equal to the target price at the wholesale level ($118.93 per ton) in the country's largest deficit area (<u>Foreign Crops and Markets</u>, May 14, 1962) less freight and other costs ($.88 per ton) to the point of import.

2. A <u>fixed duty</u> will be added to imports from countries outside the Common Market to insure competitive advantage to exporters within the Market. The amount of this duty has not been set but indications are that it will approximate $1.75 per ton.

(Continued)

3. A quality surcharge will be added to put a designated standard of imported wheat on the same value basis as domestic West German wheat. This surcharge also is yet to be fixed but it appears that it will be roughly $6.25 per ton. It will apply equally to all wheat imports. Quality differentials paid by millers will be those prevailing in world markets.

4. By adding the three elements above ($126.05 per ton) and subtracting an average c.i.f. price for U.S. #2 Redwinter ($65 per ton) one gets an estimated import levy of $61.05 which is $16 per ton above the present levy.

Import levies for feed grains will be determined in the same manner as wheat levies with the exception that there will be no quality surcharge. The import levy on barley is expected to increase from the present $33 per ton to about $37 per ton. It is still too early to estimate the increase in the import levy for corn.

In addition to the higher import levies, imported grain will be made even more costly as a result of the higher freight costs in the offing. West Germany almost completely subsidizes grain freight costs. This practice must be discontinued as the Common Market goes into effect. Although West German freight rates are expected to be lowered, the absence of the government subsidy plus the higher import levies will mean substantially higher market prices for imported grain.

ARGENTINE DRY PEA, BEAN, AND LENTIL PRODUCTION UP; GARBANZO PRODUCTION DOWN

Argentina's dry bean production for the 1961-62 crop year, harvest now being completed, is expected to reach about 794 thousand bags, compared with 572 in 1960-61, an increase of 39 percent.

The trend in lentil production has been downward in recent years, but the current crop year production is estimated at 246 thousand bags, nearly 2½ times the 101 thousand produced in 1960-61.

Dry pea production of the 1961-62 crop year may reach 440 thousand bags, an increase of 26 percent over the 348 thousand produced the previous season.

Production of garbanzos has been declining steadily over the past several years because of low farm prices. Official estimates place production of the 1961-62 crop at 97 thousand bags compared with 125 a year ago.

Exports of dry pulses during 1961 were substantially higher than during 1960, although dry bean exports of 94 thousand bags were down slightly from the 100 thousand bags exported in 1960. Holland and Belgium received the bulk of bean exports. Holland also received 64 percent of the 16 thousand bags of lentil exports and Germany the remainder. The major portion of the 32 thousand bags of dry pea exports went to Brazil, while Holland and Germany received the remainder.

The following tabulation shows prices as of April 23, 1962, for dry pulses hand-selected for the export market. These quantities are almost double wholesale prices for unselected pulses for domestic consumption:

	Dollars per 100 lb. f.a.s. Buenas Aires
Dry peas	$ 4.36
Lentils	
6 to 7 mm.	13.96
5 to 6 mm.	10.90
Garbanzos	8.07
Dry beans (depending upon class)	4.35 - 5.65

AUSTRALIA MAY IMPOSE TARIFFS ON FLAXSEED, SAFFLOWER, SOYBEANS

It has been reported that the Australian Tariff Board will make an inquiry into whether assistance should be accorded the production of flaxseed, safflower, and soybeans and the production of oils, including modified oil, meal, and flour, produced from these three oilseeds.

If the Board determines that assistance is justified various rates of duty will be provided the above in accordance with Section 15 of the Tariff Board Act, 1921-1960.

COLOMBIA TO INCREASE PRODUCTION OF OILSEEDS, OILS, AND MEALS

Colombian oilseed production in 1962 is forecast at about 250,000 short tons, an increase of almost one-third from 1961. Production of seed oil and other fats and oilcakes and meals are both expected to rise by about one-fifth. Fats and oils production should total about 63,400 tons in 1962 and oilcakes and meals about 127,600 tons.

Oilseed production in Colombia, largely cottonseed, has been sharply expanded. Cottonseed production is being stimulated by continued high governmental price supports and technical and marketing assistance given producers by the Cotton Federation and the Instituto de Formento Algodonero (IFA). The Federation provides the growers with insecticides, and fertilizers, at cost. The IFA is constructing two new cotton gins which are expected to encourage production further in the control area. The IFA is also presently attempting to encourage the domestic production of African palm, peanut, and copra through increased plantings.

OILSEEDS, FATS AND OILS, AND CAKES AND MEALS: Colombia, production, imports, and exports, annual 1960-1962

Commodity	Production			Imports			Exports		
	1960	1961	1962	1960	1961	1962	1960	1961	1962
	1,000 short tons								
Oilseeds:									
Cottonseed	127.5	140.0	191.7	---	---	---	---	---	---
Sesame seed	20.7	25.1	30.9	---	---	---	---	---	---
Soybeans	21.1	21.5	24.8	---	---	---	---	---	---
Copra	1.7	1.7	1.7	38.9	33.1	29.8	---	---	---
Total 1/	171.0	188.3	249.1	38.9	33.1	29.8	---	---	---
Fats and Oils:									
Cottonseed oil	17.2	20.6	26.9	0.4	---	---	---	---	---
Sesame oil	9.8	12.5	14.6	---	---	---	---	---	---
Soybean oil	3.0	3.1	3.5	17.8	---	12.7	---	---	---
Coconut oil	0.9	0.7	0.7	20.1	22.2	20.0	---	---	---
Lard	14.7	15.2	15.4	---	0.1	0.1	---	---	---
Other	0.6	0.9	2.3	23.3	1.0	4.3	---	---	---
Total	46.2	53.0	63.4	61.6	23.3	37.1	---	---	---
Cakes and Meals:									
Cottonseed meal	51.5	61.7	80.8	---	---	---	7.8	2.6	5.5
Soybean meal	16.6	17.3	19.5	---	---	---	---	---	0.1
Sesame meal	9.8	12.5	14.6	---	---	---	0.4	---	0.6
Copra meal	11.6	12.3	11.0	---	---	---	3.3	---	---
Other	0.5	0.7	1.7	---	---	---	---	---	---
Total	90.0	104.5	127.6	---	---	---	11.5	2.6	6.2

1/ Excludes peanuts and other oilseeds produced in relatively small quantities.

Production of sesame seed in 1961 totaled 14,600 tons, up one-fifth from the preceding year. Production during 1962 is expected to make an additional gain of almost one-fourth. Sesame, which is grown in the interior zone of Colombia as a rotation crop for cotton, is planted in September and harvested in January. Sesame production is largely limited to small farmers since the dehiscent variety used requires manual harvesting and large scale commercial farmers prefer crops that may be harvested mechanically.

Copra continued to be Colombia's main source of vegetable oil during 1961. Copra imports during 1961 declined by 15 percent from 1960 while domestic production remained constant. Imports during 1962 are expected to decrease further as a result of a government decree which requires successive reduction in copra imports by 10 percent per year in order to stimulate self-sufficiency. Copra imports in 1962 may total only about 30,000 tons, thus allowing cottonseed to become Colombia's largest source of oil in 1962.

Colombian fats and oils production, 53,000 tons in 1961, was up by 15 percent from 1960 and is expected to increase by one-fifth in 1962. Cottonseed oil production, which broke all previous records in 1961, is expected to rise by 30 percent.

Imports of fats and oils in 1961 declined by 38,300 tons or about 60 percent from 1960. Imports of soybean oil in 1962 are expected to increase about 60 percent from the previous year. No fats and oils are exported.

Production of cake and meal was at a record level of 104,500 tons in 1961, an increase of 16 percent from 1960. The increase is the result of the marked rise in the production of oleaginous seed crops, particularly cottonseed. Most of the cake is used in cattle and poultry feeds with only small quantities being exported. However, exports of cottonseed cake, amounting to about 2,600 tons in 1961, are expected to more than double in 1962. No cakes and meals are imported.

BELGIAN OILSEED AND OIL IMPORTS DOWN; EXPORTS UP

In 1961, Belgium reduced its oilseed imports by 2 percent and its vegetable oil imports were one-third lower than the preceding year.

Belgium, a net importer of oilseeds and vegetable oils, imported 286,200 short tons of oilseeds and 63,000 tons of vegetable oil. Coinciding with these declines, exports of both oilseeds and vegetable oils showed significant gains.

The most significant change in oilseed imports was the substitution of peanuts from Nigeria and copra from the Philippines and Indonesia for soybeans. Peanuts and copra were up 46 percent and 26 percent, respectively, and soybeans were down about one-third from the previous year. Virtually all of the soybeans were from the United States. Castor bean imports in 1961, mainly from Ecuador and Peru, were down about one-half.

Imports of palm kernels and flaxseed in 1961 were at about the 1960 level. The United States, Argentina, and Canada were the chief suppliers of flaxseed and Nigeria and the Congo supplied most of the palm kernels.

OILSEEDS: Belgium, production, exports, and imports, 1960-1961

Commodity	Production		Exports		Imports	
	1960	1961	1960	1961	1960	1961
	1,000 short tons					
Peanuts	---	---	---	---	28.7	71.1
Copra	---	---	---	---	32.1	40.6
Palm kernels	---	---	---	---	25.5	25.6
Soybeans	---	---	---	0.1	149.0	99.5
Castor beans	---	---	---	---	6.8	3.3
Flaxseed	20.6	19.1	10.7	18.1	33.0	30.9
Other	0.2	0.2	0.9	1.1	17.9	15.2
Total	20.8	19.3	11.6	19.3	293.0	286.2

Institut National de Statistiques.

VEGETABLE OILS (crude): Belgium, production, exports, imports 1960-1961

Commodity	Production		Exports		Imports	
	1960	1961	1960	1961	1960	1961
	1,000 short tons					
Linseed oil	11.7	15.8	1.7	6.1	0.6	---
Palm oil	---	---	0.2	0.1	39.2	40.9
Palm kernel oil	10.9	11.8	1.5	0.3	0.6	2.3
Copra oil	18.4	27.5	0.1	---	3.3	3.8
Peanut oil	14.5	31.3	---	0.2	25.4	3.9
Soybean oil	23.5	18.6	1.9	0.5	4.5	1.7
Castor oil	2.9	1.6	1.4	0.6	0.2	0.6
Other oil	3.8	5.9	0.9	0.9	18.3	9.8
Total	85.7	112.5	7.7	8.7	92.1	63.0

Institut National de Statistiques.

Flaxseed exports from Belgium in 1961, increased by more than two-thirds from the previous year despite a 7-percent decline in production. The main destinations were West Germany, the Netherlands, and Czechoslovakia.

Vegetable oil imports and their major sources include the following (with percentage of change from 1960 given in parentheses): palm oil (-4) mainly from the Congo, Nigeria and Indonesia; peanut oil (-85) from Argentina; cottonseed oil (-65) chiefly from the United States and the Congo; coconut oil (+16) mainly from the Netherlands.

Production of crude vegetable oils in 1961 increased by about one-third from 1960. Most significant in this gain were peanut, coconut, and linseed oils, up 116 percent, 49 percent, and 35 percent, respectively.

ARGENTINA HARVESTS RECORD PEANUT CROP; LARGE SUNFLOWER SEED CROP

Argentina is harvesting a record peanut crop and the largest sunflower seed crop in recent years.

First official estimates of the 1961-62 crops place peanuts at 396,830 short tons, or one-third above 1960-61; and sunflower seed at 903,885 tons, up 40 percent from last year. Moreover, at this volume of production, the sunflower seed crop is the largest since the 1,125,448 tons produced in 1950-51.

These estimates are considerably above unofficial expectations (Foreign Crops and Markets, May 14). Production at these levels would raise the estimates of this season's exportable surpluses of peanut and sunflower seed oils from 60,600 and 44,100 tons, respectively, as reported earlier, to 82,700 and 66,140 tons.

BURMA'S OILSEED AND FATS AND OILS PRODUCTION TO INCREASE IN 1962

Burmese oilseed production in 1962 is forecast at 522,000 short tons, up 6 percent from the previous year. In the same period, fats and oils production, estimated at 144,000 tons, is expected to increase by more than 7 percent.

According to latest official estimates, production of the major oilseed crops, peanuts, sesame, and cottonseed, in 1961-62 will increase by 3 percent, 20 percent, and 16 percent, respectively. Extraction, seed and waste are expected to account for about four-fifths of the distribution in 1962. The remaining one-fifth includes about equal quantities for ending stocks and human consumption. About 80 percent of the latter consists of unshelled peanuts and the remaining 20 percent of sesame seed. No oilseed exports or imports are anticipated for 1962.

Burma's production of fats and oils in 1962 is expected to rise by 10,000 tons from the previous year as a result of the increased production of peanuts and sesame seed. Increased stocks will contribute to an increase in the total fats and oils supply by about 12 percent from the preceding year as imports are expected to remain constant.

The bulk of the imports in 1961 consisted of peanut oil from India, Red China, and East Africa; coconut oil from Malaya, Singapore, and Ceylon; vegetable ghee from the Netherlands, India, and Malaya; andanimal tallow from Australia and New Zealand.

Human consumption of fats and oils in 1962, rising by 10,000 tons from the previous year is expected to account for about three-fourths of the total distribution. Ending stocks in 1962 are expected to be up by about one-third, accounting for about one-fifth of the total distribution with little change in industrial utilization.

Oilseed cake exports in 1961, totaling about 225,000 tons, increased nearly one-fourth from 1960. However, as a result of lower prices, the value of cake and meal exports in 1961 was 5 percent below that of 1960.

The major oilseed cakes exported in 1961 consisted largely of peanut cake with small quantities of sesame, cottonseed, and coconut cakes. In the aggregate, the major foreign markets for Burmese oilseed cake are the United Kingdom, Singapore, Malaya, Hong Kong, and the Netherlands.

OILSEEDS AND FATS AND OILS: Burma, supply and distribution, 1960-1962

Item	Oilseeds 1/			Fats and oils 2/		
	1960	1961	1962	1960	1961	1962
	1,000 short tons					
Supply:						
Stocks, January 1	55	56	56	15	22	33
Production	409	491	522	112	134	144
Imports	---	---	---	23	20	20
Total supply	464	547	578	150	176	197
Distribution:						
Consumed as food	50	55	55	117	132	142
Feed, seed, and waste	358	436	467	---	---	---
Industrial uses	---	---	---	11	11	12
Stocks, December 31	56	56	56	22	33	43
Total distribution	464	547	578	150	176	197

1/ Includes peanuts, sesame, and cottonseed.
2/ Includes peanut, sesame, cottonseed, coconut, and rice bran oils as well as animal fats.

PRODUCTION OF VEGETABLE OIL DECLINES SHARPLY IN EGYPT

Egypt's 1962 production of edible and inedible vegetable oils is expected to be one-third lower than last year.

Production, primarily cottonseed, is forecast at 113,600 short tons. This drop is indicated by severe insect infestation and diseases due to unfavorable weather in 1961.

EDIBLE AND INEDIBLE VEGETABLE OILS: Egypt, supply and distribution, 1960, 1961, and 1962 forecast

Supply and distribution	Edible vegetable oils 1/			Inedible vegetable oils 2/		
	1960	1961	Forecast 1962	1960	1961	Forecast 1962
	1,000 short tons					
Supply:						
Beginning stocks, January 1	22.0	18.8	40.7	4.4	8.8	5.5
Production	131.7	135.1	99.2	22.2	25.7	14.4
Imports	21.4	47.8	66.1	10.5	4.4	16.5
Total supply	175.1	201.7	206.0	37.1	38.9	36.4
Distribution:						
Exports	2.0	1.2	1.1	0.1	0.1	0.1
Consumption	154.3	159.8	170.8	28.2	33.3	33.1
Closing stocks, December 31	18.8	40.7	34.1	8.8	5.5	3.2
Total distribution	175.1	201.7	206.0	37.1	38.9	36.4

1/ Includes primarily cottonseed, soybean, coconut, olive, and sesame oil.
2/ Includes primarily coconut, olive, and linseed oil.

The production, marketing, and distribution of cottonseed oil is regulated by the government which allocates the main foodstuffs requirements to the people. Each person is allowed 375 grams--0.827 U.S. pounds--of cottonseed oil per month. However, additional amounts may be obtained in the free market at a higher price. Production of other oils is minor, representing only 5 to 10 percent of the total vegetable oil production. Programs to increase oil production are progressing, but are not commensurate with the rapid increase in population. Considerable quantities of vegetable oils and fats, therefore, have to be imported annually in order to meet the deficit. Imports of vegetable oils in 1962 are expected to increase by more than one-half from last year.

(Continued)

To meet the deficit, Title I, Public Law 480 import agreements for 55,000 tons of vegetable oils have been contracted with the United States. According to the terms of these agreements an additional quantity equal to one-fifth of the total must be imported from free world countries.

Imports in 1961 amounted to about 47,000 tons of vegetable oils and 25,000 tons of oilseeds, while exports were about 1,000 tons of oil and 17,000 tons of oilseeds. Of the latter, peanuts predominated, with only a small quantity of sesame seed. In recent years Egypt's annual peanut exports (unshelled basis) have ranged from about 10,000 to 20,000 tons.

Egyptian per capita consumption of edible oils at 13.9 pounds in 1960 increased to 16.3 pounds in 1961, a rise of about one-sixth. The increased consumption was facilitated through an increased cottonseed crush as well as larger imports.

U.S. COTTON LINTERS EXPORTS DOWN

U.S. exports of cotton linters totaled 178,000 bales (500 pounds gross) during the first two-thirds (August-March) of the current season.

This is 16 percent less than the 213,000 bales shipped in the corresponding period of 1960-61. Exports to principal destinations during August-March 1961-62, with comparable 1960-61 figures in parentheses, were: West Germany 91,000 bales (97,000); Japan 40,000 (65,000); United Kingdom 26,000 (27,000); Canada 11,000 (11,000); and France 7,000 (10,000).

Exports in March amounted to 24,000 bales, compared with 20,000 in the preceding month, and 28,000 in March 1961.

U.S. COTTON EXPORTS DRIFT FURTHER BEHIND LAST SEASON

U.S. exports of all types of cotton reached 3,377,000 running bales in the first two-thirds (August-March) of the current season. This is about one-third less than the 5,108,000 shipped in the comparable period of last season, and 20 percent below the annual average of 4,204,000 bales in the first 8 months of the past 5 seasons.

Exports in March were 392,000 bales, compared with 396,000 in February, and 841,000 in March 1961.

Prospects are that total exports this season will be at least 25 percent below the 1960-61 figure of 6.6 million bales. Registrations for export under the current payment-in-kind export program totaled 4,237,000 bales through May 11, against 6,172,000 on about the same date a year ago. Registrations for export on or after August 1 totaled 102,000 bales on May 11.

COTTON: U.S. exports by country of destination, average 1950-54, annual 1958-60, August-March 1960-61 and 1961-62

(Running bales)

Country of destination	Year beginning August 1					
	Average 1950-54	1958	1959	1960	August-March 1960-61	1961-62
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Austria	37	15	29	35	26	25
Belgium & Luxembourg	117	48	224	179	157	74
Denmark	27	8	23	23	18	7
Finland	12	12	32	29	25	19
France	416	194	668	549	458	239
Germany, West	368	101	582	421	375	173
Italy	364	148	592	454	368	300
Netherlands	122	20	224	179	158	80
Norway	14	1	17	14	10	11
Poland & Danzig	1/	89	71	228	213	19
Portugal	7	12	13	25	20	15
Spain	135	283	66	171	162	155
Sweden	50	33	103	101	80	86
Switzerland	40	11	104	99	88	69
United Kingdom	417	202	593	371	293	185
Yugoslavia	83	146	48	88	42	75
Other Europe	9	3	21	8	7	27
Total Europe	2,218	1,326	3,410	2,974	2,500	1,559
Australia	30	39	63	49	43	58
Canada	297	85	309	259	203	281
Chile	23	2	54	51	33	11
Colombia	30	20	0	0	0	0
Cuba	18	9	40	2	2	0
Ethiopia	6	0	15	4	4	10
Hong Kong	8	123	276	219	171	84
India	246	77	431	599	347	25
Indonesia	18	16	52	36	35	33
Israel	12	12	18	9	5	6
Japan	837	521	1,755	1,746	1,299	768
Korea, Republic of	76	219	270	195	143	166
Morocco	8	10	11	9	7	12
Philippines	9	93	126	149	95	84
South Africa, Rep. of	6	14	44	51	44	42
Taiwan (Formosa)	84	178	203	176	104	133
Thailand	1	1/	20	23	11	21
Uruguay	2	21	32	18	9	10
Venezuela	3	0	0	1/	1/	16
Vietnam, Laos & Cambodia 2/	14	1/	10	26	26	29
Other countries	31	24	43	37	27	29
Total	3,977	2,789	7,182	6,632	5,108	3,377

1/ Less than 500 bales. 2/ Indochina prior to 1958.

Compiled by Cotton Division, FAS, from Bureau of Census records.

ARGENTINA GROWS AND EXPORTS MORE COTTON

The 1961-62 cotton crop in Argentina, now being harvested, is estimated at 575,000 bales (500 pounds gross).

Although only slightly larger than last season's crop of 569,000 bales, this volume is 6 percent above annual average production of 540,000 bales during the past 5 seasons. Except for the 1957-58 crop of 783,000 bales, this season's output is the largest cotton crop in Argentina since 1953-54 when 635,000 bales were produced.

Favorable growing conditions permitted higher yields on slightly smaller acreage this season. Harvested acreage, estimated at about 1,200,000 acres, compared with 1,243,000 in 1960-61 and a 5-year (1956-60) average of 1,308,000. Around two-thirds of Argentina's cotton is produced in the Chaco province, with most of the remainder grown in Formosa, Santa Fe, and Santiago del Estero.

Exports of 40,000 bales during the first 7 months (August-February) were more than double the 19,000 bales shipped in the same months of 1960-61, as larger shipments went to all major destinations. Quantities exported to principal destinations from August 1961 through February 1962, with comparable 1960-61 figures in parentheses, were: Hong Kong 10,000 bales (7,000); Japan 7,000 (4,000); Belgium 6,000 (2,000); Italy 5,000 (1,000); West Germany 3,000 (1,000; and France 3,000 (142).

Since all domestically produced cotton is upland type, longer staple fiber is imported for the manufacture of fine yarns. During August-February 1961-62, 22,000 bales of cotton were imported from Peru, compared with 20,000 in the corresponding period a year earlier.

Cotton consumption, estimated at 226,000 bales in the first 5 months (August-December) of the current season, was 6 percent above the 214,000 used in the same period of 1960-61. If this rate continues, total consumption this season will approximate 540,000 bales, compared with 510,000 last season. Stocks on hand at the end of this season will be moderately lower than beginning stocks of 510,000 bales if exports and consumption hold up as expected.

MADAGASCAR INCREASED EXPORTS TO UNITED STATES IN 1961

In 1961 the United States took 14.7 percent of Madagascar's exports and retained its position as the country's second best market.

The rise is mainly attributed to a doubling in volume of vanilla and mica sales. Also, for the first time in several years, the United States imported dried lima beans from Madagascar.

Nearly 88 percent of exports to the United States were agricultural products, with vanilla valued at over $6 million.

Madagascar's imports from the United States decreased from $3.2 million in 1960 to $2.1 million in 1961. The United States dropped from third to fifth place among suppliers.

Despite a considerable reduction in Madagascar's chronic foreign-trade deficit, imports exceeded exports by $26 million in 1961.

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